

**THE CRITICAL SUCCESS FACTORS OF BUMIPUTERA  
ENTREPRENEURS IN FRANCHISE INDUSTRY**

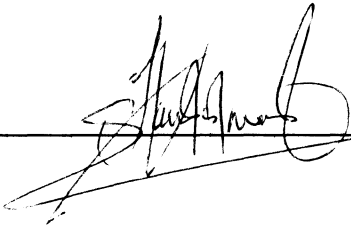
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# ABSTRACT

The paper presents statistical and empirical study on the business Critical Success Factors (CSFs) or in other words "the sustainable competitive advantage" which lead to the successfully of managing franchise business. The study is specifically focus on the Malaysian franchising industry. The main intention of the study is to analyze, examine and compare the two focused groups, Bumiputera and Non Bumiputera franchised enterprises on their comparative advantage to explore their differences or similarities on business approaches and perceptions in relations to the business competitive advantage.

This study is focused on Malaysian entrepreneurs; Bumiputera and Non Bumiputera franchisees in the franchising industry. The research covers respondents in Negeri Sembilan and Pulau Pinang.

The objectives of the study are; 1. to identify the Critical Success Factors (CSFs) that are essential for successful doing business among the Bumiputera and Non Bumiputera franchisees; 2. to examine the types of support, assistance and guidance offered and provided by the franchisor to their franchisees in managing the business successfully; 3. to examine the degree of "relationships" between the franchisor and franchisee and 4. to identify the differences and similarities between Bumiputera and Non Bumiputera on business approaches and their perceptions towards the business competitive advantage

Research methodology is done to obtain the primary data through questionnaires and personal interviewing with the franchisees. We have distributed 50 questionnaires and 68% of the questionnaires were completed and returned back to us. Observation method also being used as

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Introduction:**

It is notable that the franchise sector possesses sufficient economic muscle to ensure the development of business activities. However in Malaysia, there are only a few Bumiputeras involved in the business sectors of the economy since they are not able to “sustain and survive” longer in the competitive business market.

When talking about survival and success of franchised business, it is the question of organizational survival and sustainable period as well as the business performance in achieving organizational goals and maintaining acceptable “profits” to satisfy the business short term and long-term liability. Achieving “business performance goals” is pertinent to ensure the business is successful and long surviving. In this context, the “Critical Success Factors (CSFs) should be determined and distinguished as they are the ‘benchmarking criteria of business success’. It means, the application of those factors in managing business will ensure the continued existence of the enterprise over a certain time period with acceptable business income. In this case the Critical Success Factors (CSFs) that we would like to study and explore are the determinants of the survival and success of businesses.